

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 INRE-00 NASA-04 SCI-06 NSCE-00 SSO-00

IGA-02 SP-03 AID-20 EB-11 NSC-07 RSC-01 CIEP-02

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

CCO-00 OTPE-00 FCC-03 OC-06 DRC-01 PA-04 PRS-01

USIE-00 /157 W

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FM USINT DAMASCUS

TO SECSTATE WASHDC 827

AMEMBASSY CAIRO IMMEDIATE

INFO AMEMBASSY BEIRUT

LIMITED OFFICIAL USE DAMASCUS 1149

CAIRO FOR ATHERTON

E.O. 11652: N/A

TAGS: PFOR AID BEXP SY

SUBJ: EARTH SATELLITE STATION FOR SYRIA

1. ON JUNE 11, THREE REPRESENTATIVES OF INTERNATIONAL TELEPHONE & TELEGRAPH (ITT) CALLED ON USINT TO REPORT THAT SARG SERIOUSLY INTERESTED IN PURCHASE OF ONE COMMUNICATIONS ATELLITE EARTH STATION. ACCORDING TO ITT VICE PRESIDENT SCOTT MCCASKEY, SYRIAN GOVERNMENT HAD ASKED THEM TO COME TO DAMASCUS TO PRESENT QUOTATION. MEETING YESTERDAY WAS WITH DIRECTOR GENERAL OF SYRIAN POSTS, TELEPHONE AND TELEGRAPHS (PTT), ABDULLAH HALABI.

2. ITT REPS WERE IMPRESSED WITH KNOWLEDGE SYRIAN OFFICIALS SEEMED TO HAVE OF EARTH SATELLITE SYSTEM AND WERE CON-
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VINCE SYRIANS ARE SERIOUS ABOUT PURCHASE. ITT

QUOTATION WAS \$4 MILLION FOR STATION EXCLUDING BUILDINGS. SYRIANS INTERESTED IN AMERICAN OFFER BUT ARE REPORTEDLY UNHAPPY WITH INTEREST RATES DISCUSSED BY ITT. (THEY WERE TALKING ABOUT 8 PERCENT EXIM BANK TERMS.) AT ONE POINT IN CONVERSATION HALABI REFERRED TO IMPROVED US-SYRIAN RELATIONS AND SAID THAT U.S. SHOULD BE PREPARED GIVE SYRIA GOOD TERMS ON FINANCING PROJECTS SUCH AS THESE. HE SAID IF U.S. WOULD GIVE SYRIA SOFT LOAN WITH GOOD INTEREST RATE TODAY, SYRIA WOULD SIGN CONTRACT WITH ITT THAT MOMENT WITH NO MORE QUESTIONS ASKED. ITT UNDERSTANDS SYRIANS THINKING IN TERMS OF TWO AND ONE HALF TO THREE AND ONE HALF PERCENT INTEREST RATE. ITT REPS SAID THEY WERE COMING TO USINT TO ALERT US OF THIS OPPORTUNITY SO WE WOULD HAVE INFORMATION IF THERE WERE ANY CONSIDERATION OF FINANCIAL ASSISTANCE DURING OR AFTER PRESIDENT'S VISIT.

3. USINT OFFICERS REVIEWED SEVERAL OUTSTANDING ISSUES BETWEEN SYRIA AND VARIOUS USG AGENCIES INCLUDING EXIM CLAIM AGAINST BOUSTANI AND SEVERAL AID LOANS NOT YET PAID OFF. ITT WAS UNAWARE THEY MIGHT HAVE DIFFICULTY GETTING EXIM SUPPORT SAYING, "EXIM HAS NEVER TURNED DOWN REQUEST TO FINANCE EARTH SATELLITE STATION." ON QUESTION OF POSSIBLE SOFT LOAN ASSISTANCE WE POINTED OUT THAT EXIM INTEREST RATES WERE BELOW CURRENT COMMERCIAL BANK LEVELS AND THAT RATE OF TWO AND ONE HALF TO THREE AND ONE HALF PERCENT SEEMED UNREALISTIC IN CURRENT MARKET. WE WENT ON TO SAY THAT \$100 MILLION AID PACKAGE, OFTEN REPORTED AS TAGGED FOR SYRIA, WAS STILL BEFORE CONGRESS AND WAS INTENDED TO COVER OTHER ITEMS THAN JUST ASSISTANCE TO SYRIA.

4. COMMENT: THERE ARE INCREASING NUMBER OF AMERICAN FIRMS INTERESTED IN PROJECTS IN SYRIA. ALL REPORT WELCOME RECEPTION BY SYRIAN OFFICIALS. THEY ALL POINT OUT THEY NEED EXIM FINANCING TO EVEN THINK OF COMPETING AND, IN MOST CASES, THEY HOPE THERE WILL BE BETTER TERMS THROUGH AID. ALL BELIEVE, AS DO MANY SYRIANS, THAT U.S. WILL BE COMING THROUGH WITH ECONOMIC ASSISTANCE PACKAGE IN VERY NEAR FUTURE IF NOT DURING PRESIDENT'S VISIT. IN THIS REGARD WE NOTE SYRIANS HAVE SELECTED MOHAMAD HAYDAR AS THE PRESIDENT'S HONORARY ESCORT. HAYDAR IS THE DEPUTY PRIME MINISTER FOR LIMITED OFFICIAL USE

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ECONOMIC AFFAIRS.
SCOTES

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Draft Date: 12 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
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